

#### Department of Human Resources 311 West Saratoga Street Baltimore MD 21201

Control Number: #17-9

# Family Investment Administration ACTION TRANSMITTAL

Effective Date: October 1, 2016 Issuance Date: October 6, 2016

TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES

DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF

FROM: TRACEY C. PALIATH, EXECUTIVE DIRECTOR / Many

RE: MODIFICATION IN CARES SELF EMPLOYMENT CALCULATION

PROGRAM AFFECTED: FOOD SUPPLEMENT PROGRAM (FSP)

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND REPORTING

#### **SUMMARY**

Previously local departments of social services had to complete manual calculations outside of the CARES system to determine FSP self-employment income. CARES was not programmed to complete a 50 percent disregard of customer's self-employment income when determining FSP benefits.

This AT provides information on changes to CARES' programming effective October 1, 2016 for the 50% disregard for self-employment and replaces AT #16-17.

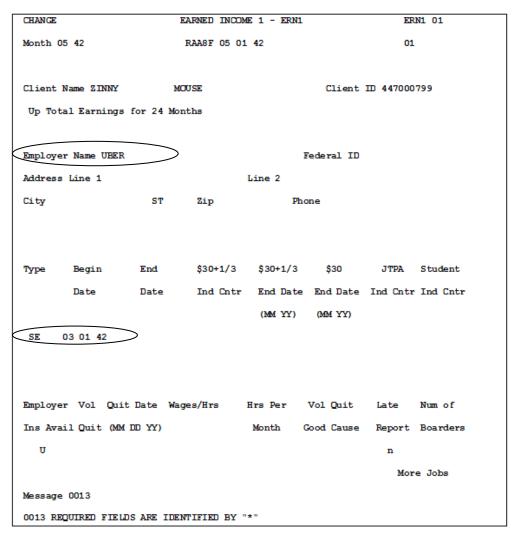
#### **ACTION REQUIRED**

Effective October 1, 2016 CARES will apply the deductions (50% and 20%) that self-employed customers are eligible for.

The customer also has the option of providing verification of actual income and deductions to determine self-employment income. The Department recommends the customer submit a minimum of three (3) months of income and deductions for this option. Refer to FSP Manual Section 104.83 for a list of allowable deductions.

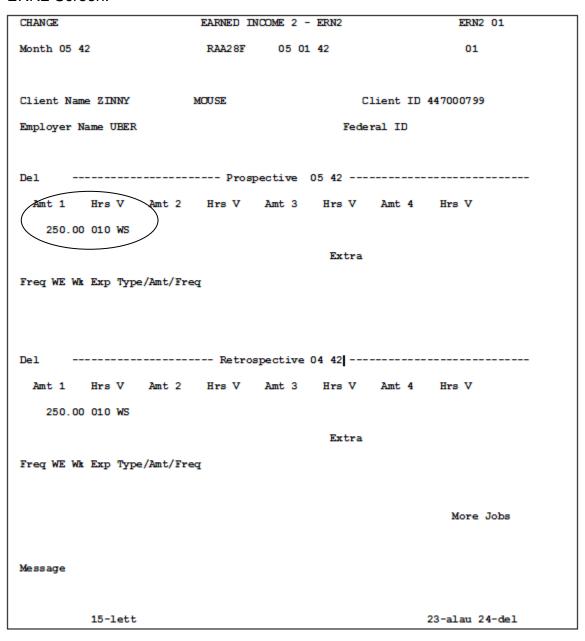
# **CARES PROCEDURES**

I. Enter the customer's Employer Name and the date the Customer began employment with the employer. Enter "SE" in the Income Type Field.



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II. Enter the weekly amount the customer receives in Self Employment Income on the ERN2 Screen.



III. The FSFI Screen will reflect the 50% and 20% deductions for the household's self employment income.

# Example:

- \$250.00 weekly = \$1,000.00 monthly.
- 50% of \$1,000.00 (gross self-employment income) = \$500.00
- \$1,000-\$500 (self-employment deduction) =\$500
- 20% of \$500.00 = \$100.00 (earned income deduction)
- \$500.00 \$100.00 = \$400.00
- \$400.00 is reflected as the net income on the FSFI Screen.

FINALIZE FOOD ST	'AMP FINAN	CIAL ELIGIBILITY - FSFI		FSFI A
Month 06 42	RAA28F	05 01 42		
AU ID 930000567 Prog FS	Prog Typ	pe S HH Size 02		
Cat Elig F		Child Support Deductn	.00	
Assets		Shelter Cost	.00	Uncapped
Asset Limit	2000.00	Shelter Deductn	.00	Shelter N
Total Assets	. 00	Medical Deductn	.00	
Income Test		Dep Care Deductn	.00	TFS N
Gross Income Standard	. 00	Adjusted Net Income	243.00	CAP N
Gross Earned Income	1000.00	Net Income Standard	.00	
Earned Income Deductn	600.00	30% Adj Net Income	73.00	
Net Earned Income	400.00	Thrifty Food Plan	357.00	
Gross Unearned Income	. 00	Grant Amount	284.00	
Cash Benefit Amount	. 00	Recoupment Amount	.00	
IV-D Passthru Amount	. 00	Benefit Amount	284.00	
Standard Deductn	157.00	Previous Benefit	.00	
Bnft Eff Date 050142 Bnft Confirm Reasons			Budgeting Method P	
Notice Type Waive Advr A	ct Period	Notice Override	Simplified	i Rpt Y
Redet Begin Date 06 42 R	Redet End I	Date 09 42 MR Stat	MR Class	Strat Y
Message				
13-note				

# **NOTE**

For customers choosing to use actual income and expenses, remember that not all business expenses listed on a customer's federal tax Schedule C are allowable deductions for FSP eligibility. Again, refer to the FSP Manual Section 104.83 to determine which deductions are allowed. Case Managers can use Schedule C, line 1, which is the gross self-employment income.

Attachments: Revised FIA FSP Manual Section 104

# <u>INQUIRIES</u>

Please direct all policy questions to the FIA Policy unit at fia.policy@maryland.gov or telephone 410-767- 7953. Please direct CARES questions to La Sherra Ayala at 410-238-1285 or lasherra.ayala@maryland.gov.

DHR Executive Staff
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Office of Administrative Hearings
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